INFORMATION REPORT

OD NO

SAMUEL COM indonesia

SUBJECT

Illegal Rubber Transactions at Belavan

DAIF USIK NO. OF PAGES

11 Feb 59

ATTURN TO GIA 25X1A

NO OF ENCLS. LUSTED BELOW

SUPPLEMENT TO REPORT NO.

25X1X

Seven employees of the Indonesian Customs Service at Relawan and one employee Docu. 1. of the Export Control Office were arrested for issuing a false export license for the shipment of 100 tons of rubber to Maleya.

The eight persons arrested in connection with the Belawan case were:

KAR Eurasians; employed in the Customs at Belavan Sterling Fredericks

Tobing

Indonesians; employed in the Customs at Belawan

Edaham Ayub

LEE

Chinese; cashier in the Customs at Belawan

Officer of the Mantor Urusan Export (Export Control Office), An Indonesian

During the latter part of 1951 the United Commodities Corporation at Dj. sebudajaan 27, Medan, was unusually active in the local rubber murchasing market. It bought large quantities of regular crepe and low grade rubber, in which other buvers were not interested, to smuggle from Sumatra to Molaya. In the Belawan case Ban Chuan, a small rubber firm with offices on the premises of Sun Lie Rubber Co., Medan, bought 200 tons of low grade rubber from the United Cormodities Corporation. Foreign exchange and a letter of Credit were legally obtained for 100 of the 200 tons. On the basis of the Letter of Credit a legitimate Export Permit was received from the Wantor Urusan Export, Medan, for this 100 tons. However, Ban Chuan, probably by bribery, persuaded an Indonesian official in the Kantor Grusan Expert to issue two identical export permits, each for 100 tons. Sing the legitimate permit, 100 tons were experted legally through Belavan; using the extra permit, the other 100 tons were exported illegally. Since the value of the latter amount of rubber was about Straits dollars 500,000, the Take esian Covernment was deprived of that amount of foreign exchange and also lost approximately & 100,000 execut duty on the shipment.

CLASSIFICATION CONFIDENTIAL/CONTROL - U.S. OFFICIALS ONLY DISTRIBUTION

> Document Ne. ___ No Change In Class. 🔀 Declassified Class. Changed To: Date: 🛌

Approved For Release 1999/09/09: CIA-RDP82-00457R010000400012-7

CONFIDENTIAL/CONTROL - U.S. OFFICIALS ONLY

25X1A

· 2 -

- A. The owner of Ban Chuan is now in Malaya, where he fled to avoid arrest.
 - Of the Belavan Customs Service had been arrested by the Belavan police for collaboration in a smuggling attempt. Their names were given as:

Maximilian Theodorus van Heuven van Steerling

D.B. Frederikss

A.E.B. Gartz

LIE Pan Song

Idham Ujup

25X1A

H.L. Tobing

2. April-Lay 1951 reported that the Medan May Day Committee borrowed R 2,500 from TAN Thian An, Vice President of the United Commodities Corporation, to meet preliminary expenses. The Committee then had no funds with which to reimburse TAN.